

AR33

The Great West Saddlery Company Limited

a n n u a l
r e p o r t

FOR

THE

YEAR

ENDED


31st

JANUARY

1968

GWS

Established 1869



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GWS

**THE GREAT WEST SADDLERY
COMPANY LIMITED**

DIRECTORS

N. BAKER - - - - - Montreal
D. R. CLEVELAND - - - - - Toronto
B. H. BRECKENRIDGE - - - - - Georgetown
J. T. EYTON - - - - - Toronto
A. T. HOLLAND - - - - - Toronto
P. J. LOWENSTEIN - - - - - Montreal
L. B. SPILFOGEL - - - - - Montreal

OFFICERS

N. BAKER - - - - - *Chairman of the Board*
A. T. HOLLAND - - - - - *President*
P. J. LOWENSTEIN - - - - - *Treasurer*
J. T. EYTON - - - - - *Secretary*
P. F. BOYLEN - - - - - *Assistant Secretary*

TRANSFER AGENTS

CANADA PERMANENT TRUST COMPANY

HEAD OFFICE

628 King Street West, Toronto 2B, Ontario

GWS

TO THE SHAREHOLDERS

In recent years your directors and management have too frequently been obliged to concern themselves with questions of your Company's survival rather than its growth. This year, however, we have the pleasure of reporting the settlement of most of our old difficulties and also some constructive developments designed to overcome our severe shortage of liquid resources.

As a result of a series of transactions set out in the accompanying information circular which you are urged to read carefully, Edper Investments Limited of Montreal, Quebec has become the majority shareholder of the Company. It is the expressed intention of Edper Investments Limited to make available to the Company funds needed to pursue an active programme of acquisition and development.

We appear to be at a turning point in our affairs and I wish to thank those directors and officers who have stayed with us during our troubled period and who have provided their considerable services for little or no remuneration.

We are confident that the shareholders who have remained with the Company over the years will have their patience rewarded in the times to come.

Submitted on behalf of the Board,

A. T. HOLLAND,

President.

THE GREAT WEST SADDLERY COMPANY LIMITED

AUDITORS' REPORT

To the Shareholders of

The Great West Saddlery Company Limited:

We have examined the consolidated balance sheet of The Great West Saddlery Company Limited and its wholly-owned subsidiary companies as at January 31, 1968 and the consolidated statements of loss and deficit and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

As explained in Note 1 to the consolidated financial statements, the audited financial statements of the unconsolidated subsidiary at June 30, 1967 indicate that the company's investment therein has only a nominal book value. This investment is carried at a cost of \$402,357 in the consolidated balance sheet. We are unable to determine the realizable value of this investment.

In view of the matter discussed in the preceding paragraph, we express no opinion concerning the investment in subsidiary company and the consolidated deficit or upon the overall financial position of the companies as shown in the accompanying consolidated balance sheet as at January 31, 1968.

However, in our opinion, these consolidated financial statements present fairly, in all material respects, the other assets and liabilities of the companies as at January 31, 1968 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

In our opinion the amount required to make provision for the losses of the unconsolidated subsidiary from the date of acquisition is fairly presented in Note 1 to the consolidated financial statements.

DELOITTE, PLENDER, HASKINS & SELLS,

Chartered Accountants.

Toronto, Ontario,
April 2, 1968.

THE GREAT WEST SADDLERY

(Incorporated under the laws of the State of California)

AND ITS WHOLLY-OWNED SUBSIDIARIES

CONSOLIDATED BALANCE SHEET (with 1967 figures in thousands of dollars)

ASSETS

CURRENT ASSETS:	1968	1967
Cash	\$ 784	\$ —
Marketable securities — at cost (approximate market value — \$45,000) (Note 3)	45,882	—
Accounts receivable	80,599	4,061
Due from unconsolidated subsidiary	3,791	—
Prepaid expenses	1,389	1,554
TOTAL CURRENT ASSETS	<u>132,445</u>	<u>5,615</u>
INVESTMENT IN SUBSIDIARY COMPANY NOT CONSOLIDATED:		
Shares — at cost (Notes 1 and 3)	<u>402,357</u>	<u>409,626</u>
EQUIPMENT (Note 2)	<u>62,137</u>	<u>65,941</u>
ORGANIZATION EXPENSES	<u>1,173</u>	<u>1,173</u>
TOTAL	<u>\$ 598,112</u>	<u>\$ 482,355</u>

The accompanying notes are an integral part of this financial statement.

ERY COMPANY LIMITED

(Canada Corporations Act)

SUBSIDIARY COMPANIES

AS AT JANUARY 31, 1968

(for comparison)

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:	1968	1967
Bank indebtedness	\$ 4,800	\$ 5,944
Accounts payable and accrued charges (Note 3)	252,208	122,179
15% debenture payable (Note 2)	9,500	—
Notes payable (Note 3)	193,619	217,326
Due to shareholder	20,875	14,619
Loan from director	8,734	1,533
Due to unconsolidated subsidiary	—	45,816
TOTAL CURRENT LIABILITIES	<u>489,736</u>	<u>407,417</u>
SHAREHOLDERS' EQUITY:		
Capital stock:		
Authorized — 1,000,000 common shares without nominal or par value		
Issued and fully paid — 515,785 shares	1,621,336	1,621,336
Deficit	1,512,960	1,546,398
NET SHAREHOLDERS' EQUITY	<u>108,376</u>	<u>74,938</u>
210		
Approved by the Board:		
A. T. HOLLAND, Director.		
B. H. BRECKENRIDGE, Director.		
TOTAL	<u>\$ 598,112</u>	<u>\$ 482,355</u>

al part of the financial statements.

THE GREAT WEST SADDLERY COMPANY LIMITED
AND ITS WHOLLY-OWNED SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF LOSS AND DEFICIT

For the Year Ended January 31, 1968

(with 1967 figures for comparison)

	1968	1967
OPERATING LOSS BEFORE THE UNDERNOTED ITEMS (Note 4) ..	\$ 746	\$ 37,338
Net loss on sale of land and buildings	—	56,678
Depreciation	21,724	16,683
Directors' remuneration (Note 5)	7,200	—
Interest expense	21,687	7,577
	<hr/>	<hr/>
NET LOSS FOR THE YEAR	51,357	118,276
DEFICIT AT BEGINNING OF THE YEAR	1,546,398	1,470,955
	<hr/>	<hr/>
	1,597,755	1,589,231
ADD:		
Adjustment of prior years' expenses	7,092	—
	<hr/>	<hr/>
	1,604,847	1,589,231
	<hr/>	<hr/>
DEDUCT:		
Interest charged in prior years now waived	—	10,472
Gain arising from renegotiations of agreements and settlement of liability	91,887	32,361
	<hr/>	<hr/>
	91,887	42,833
	<hr/>	<hr/>
DEFICIT AT END OF THE YEAR	<u>\$1,512,960</u>	<u>\$1,546,398</u>

The accompanying notes are an integral part of the financial statements.

THE GREAT WEST SADDLERY COMPANY LIMITED
AND ITS WHOLLY-OWNED SUBSIDIARY COMPANIES

**CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION
OF FUNDS**

For the Year Ended January 31, 1968
(with 1967 figures for comparison)

FUNDS PROVIDED:	1968	1967
Net sales of shares of subsidiary	\$ 7,269	\$ 407
Sale of land, buildings and equipment	2,615	121,741
Prior years' interest waived	—	10,472
Gain arising from renegotiations of agreements and settlement of liability	91,887	32,361
Total funds provided	101,771	164,981
FUNDS APPLIED:		
To operations:		
Net loss for the year	51,357	118,276
Depreciation	(21,724)	(16,683)
Net loss on sale of land and buildings	—	(56,678)
Net funds applied to operations	29,633	44,915
Adjustment of prior years' expenses	7,092	—
Discharge of mortgages	—	119,247
Additions to equipment	20,535	—
Total funds applied	57,260	164,162
REDUCTION IN WORKING CAPITAL DEFICIENCY	\$ 44,511	\$ 819

The accompanying notes are an integral part of the financial statements.

THE GREAT WEST SADDLERY COMPANY LIMITED

AND ITS WHOLLY-OWNED SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

January 31, 1968

1. In the accompanying financial statements, the accounts of all wholly-owned subsidiary companies have been consolidated as at January 31, 1968 and for the year then ended.

The company owns 24% of the common stock, and has voting control, of National Hees Industries Limited through ownership of preference shares. The accounts of this subsidiary have not been consolidated with those of the parent company as the fiscal year end of the subsidiary is June 30.

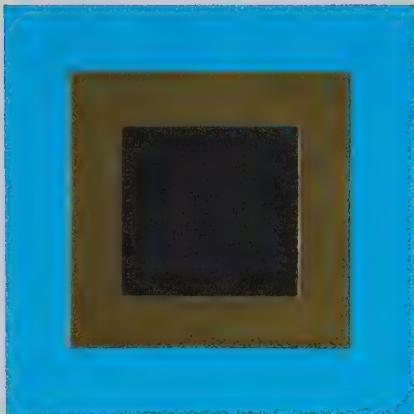
The company's share of the aggregate losses of this subsidiary from the date of acquisition to June 30, 1967 amounts to approximately \$453,300 after deducting the company's share (\$19,900) of the net income of the subsidiary for the year ended June 30, 1967. No provision has been made in the accompanying financial statements for the aggregate losses.

The audited financial statements of National Hees Industries Limited at June 30, 1967 indicate that the company's investment has only a nominal book value.

2. Equipment is carried at 1959 appraised values with subsequent additions at cost, less accumulated depreciation of \$460,538 (1967 — \$442,293). This equipment is pledged as security for a debenture payable.
3. Certain shares of the unconsolidated subsidiary, National Hees Industries Limited, and the marketable securities, were held by a broker at January 31, 1968 as security for an account payable of \$113,728.

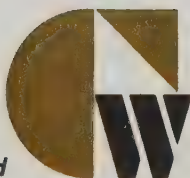
All of the shares of National Hees Industries Limited are pledged as security for a note payable of \$191,218.

4. Gross operating revenues for the year amounted to \$12,177 (\$205,545 in 1967).
5. Remuneration of \$34,675 was paid to directors of the company by the unconsolidated subsidiary, National Hees Industries Limited.



ROYAL CENTRE

Statement by Sam Hashman,
president of The Great West
Saddlery Limited, announcing
Royal Centre, Vancouver,
July 16, 1969



the great west saddlery limited



PHOTO — THE VANCOUVER PROVINCE

Sam Hashman, president of The Great West Saddlery Limited, is shown at July 16 press conference with model of the \$50-million Royal Centre project to be built at Georgia and Burrard in downtown Vancouver. The Great West Saddlery is builder-owner of the project and will begin construction of the complex this fall. Following is the text of Mr. Hashman's statement at the press conference.

the great west saddlery limited

CALGARY

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CANADA

PRINTED IN CANADA

TEXT OF REMARKS
BY SAM HASHMAN
PRESIDENT OF THE
GREAT WEST SADDLERY LIMITED
ANNOUNCING ROYAL CENTRE.
VANCOUVER, JULY 16, 1969

I would like to express my pleasure at being in Vancouver and at being privileged to announce the development of Royal Centre by The Great West Saddlery in association with such outstanding organizations as The Royal Bank of Canada, Hyatt International and others.

Vancouver as I'm sure everyone here is convinced — is one of the great cities of North America, both in its setting and in the quality of life that is enjoyed here.

Royal Centre is designed, we believe, to reflect the unique qualities of Vancouver's beauty and its way of life. In fact, it is our intention as far as possible to reproduce these qualities in the development of Royal Centre and to create a Place Ville Marie of the west coast.

I would like to outline briefly the components of the project which will complete development of the city block bordered by Georgia and Burrard and which incorporates the existing MacMillan-Bloedel building.

The focal points will be the two towers of Royal Centre. The Royal Bank tower will rise 400 feet from Georgia Street — which I understand is 76 feet higher than the adjacent MacMillan-Bloedel building.

The principal tenant, occupying the upper floors, will be the B.C. regional head office of the Royal Bank. Over all, Royal Centre will have approximately 390,000 square feet of modern, air-conditioned office space.

Both the Royal Bank tower and the connecting multi-level banking pavilion will face onto Georgia Street.

We doubt if the vigorous business environment of Vancouver and British Columbia could be better served in this project than by the presence of The Royal Bank.

The second tower of Royal Centre is keyed to both the business and leisure aspects of life in Vancouver. It will house a 600-room 32-storey convention hotel to be operated by Hyatt International in partnership with Great West. It is just about 48 hours ago we announced formation of this partnership which will form Hyatt Canada — and which will mean a series of fine new hotels will be built in other Canadian centres by Great West to be operated in partnership with Hyatt. Headquarters of this organization will be in Vancouver and further announcements will be made soon.

In the design of the hotel tower — as in the entire project — we have tried to reflect some of the beauty and excitement of Vancouver as a city.

I am sure that people here will enjoy the 80-foot-high lobby and the glass encased Polaris elevator which will travel from the lower levels, through the sloping glass roof of the lobby and up the exterior of the tower. It's going to be an exciting ride. In addition to the major banquet and convention facilities the hotel will feature five restaurants as part of the over all complex.

Royal Centre will also include a three-level mall of fine shops and services, a twin-auditorium cinema operated by Famous Players together with a multi-storey medical-dental centre all integrated at the lower levels with indoor parking for 900 cars.

In planning the Royal Centre project we have retained three groups of architects and consultants whom we believe understand the essence of this City very well. We are very excited about their proposals for this project and the way it has been designed not only for business but for people.

The landscaping, plazas and roof gardens — as well as other facilities of Royal Centre — are there for public use and enjoyment and we hope the people of Vancouver will be as happy about this project as we are. We estimate that 10- to 12,000 people will go to work at Royal Centre each day — and we are sure it will be a very pleasant place to work in as well as to visit.

Mr. Dirassar, of the local architectural firm of Dirassar, James and Jorgenson, will have some further explanation of the Royal Centre concept in a few moments.

In concluding, I would like to say that The Great West Saddlery is not entirely new to the Vancouver development scene. Currently nearing completion we have the \$13 million Lougheed Shopping Mall which is one of Western Canada's largest two-level enclosed centres which contains over a half million square feet of shopping area, slated for opening in the early fall.

Great West is equally pleased to have had previous association with The Royal Bank of Canada. Great West is co-owner of a new head office building for The Royal in Calgary now being built by our construction division and scheduled for completion in April. It is 22 storeys and is slated to be one of the finest office buildings in Canada.

It is approximately three years since I first explored the possibilities of developing this prime Vancouver location and negotiations with The Royal Bank have been carrying on for some period of time. It is with the initiative that The Royal has shown together with other major participants such as Hyatt and Famous Players that have enabled us to create this magnificent development.

Great West Saddlery currently has more than \$40 million worth of construction under way. Completed past projects would bring the total of development work to something more than \$200 million including the presently being completed \$25 million Calgary Place development on which our company is builder and co-owner, and other past projects that include the CN Towers and Centennial Building in Edmonton, the Regina Centre in downtown Regina.

I might add — and I believe this is important to prospective tenants and to the cities in which we build — that The Great West Saddlery develops its projects for the long term, as builder-owner-manager. Our projects are not designed for resale, but as long-term investments. For this reason, as well as others, it is important that our buildings be of the highest quality. Our objective is that Royal Centre will be considered as modern and attractive in 1979 and 1989 as it is in 1969.

As you are probably aware, The Great West Saddlery is a diversified company. Our computer division includes Aquila Computer Services of Montreal and Toronto and Inter Access Corporation, a large-scale computer time-sharing service company in California. Aquila B.C. Limited gives us another link with this province.

Great West shares ownership in Space Research Corp. with Arthur D. Little, Inc., a U.S. consulting firm. Through this partnership, Great West has been able to retain a Canadian connection with the former McGill University Harp Project, and is currently involved in ballistic research and aero space technology.

Comme vous le savez probablement Great West
Saddlery est une compagnie très diversifiée.

Notre division ordinateur comprend Aquila
Computer Services de Montréal et de Toronto,
et Inter Access Corporation, une compagnie
Californienne qui prodigue les services de son
ordinateur en temps partiel. Aquila B.C.
Limited est un autre maillon qui nous relie à
cette province.

Great West est co-propriétaire de Space
Research Corp. avec la firme de consultants
U.S. Arthur D. Little Inc. A travers cette
association, Great West Saddlery a pu rester
en liaison avec le projet Harp de McGill Univer-
sity et est en ce moment engagé dans la recherche
ballistique et la technologie aérospatiale.

M. Dirassar, de la firme d'architecture locale Dirassar, James et Jorgenson vous fournira des explications complémentaires sur le "Royal Centre" dans quelques instants.

Pour conclure, j'aimerais rappeler que Great West Saddlery n'en est pas à ses débuts en ce qui concerne le développement de Vancouver. Le Lougheed Shopping Mall qui est l'un des plus grands centres d'achat fermé à deux étages de l'Ouest Canadien, et qui comprend un demi million de pieds carrés de surface utilisable, est en voie d'achèvement après avoir coûté 13 millions de dollars, et son ouverture est prévue pour le début de l'automne. Great West a aussi l'honneur d'avoir été précédemment en association avec la Banque Royale du Canada. Great West est co-propriétaire d'un immeuble qui abrite les bureaux de la direction régionale de la Banque Royale à Calgary. Cet immeuble de 22 étages est actuellement construit par notre division "Construction", son achèvement est prévu pour Avril et il s'agit là sans doute d'un des plus beaux immeubles de bureaux au Canada. Il y a à peu près trois ans que j'ai commencé à explorer les possibilités de développer cette zone de Vancouver si excellemment placée et les négociations avec la Banque Royale ont été conduites pendant un certain temps.

C'est l'initiative que la Banque Royale, ainsi que les autres principaux participants comme Hyatt et Famous Players ont montré, qui nous a permis de créer ce magnifique projet.

Great West Saddlery a, en ce moment pour plus de 40 millions de dollars d'immeubles en construction. Les créations déjà terminées amèneront le total de nos travaux de promotion à quelque chose proche de 200 millions de dollars compte tenu des 25 millions de dollars du projet "Calgary Place" en voie d'achèvement pour lequel notre compagnie est à la fois entrepreneur et co-propriétaire, et d'autres projets comme la tour du C.N., et le Centennial Building à Edmonton, le "Regina Centre" de Regina.

J'aimerais ajouter, et je pense que ceci est important pour nos futurs locataires et pour les villes dans lesquelles nous construisons, que Great West Saddlery érige ses immeubles en vue d'un futur à long terme, en tant qu'entrepreneur, propriétaire et administrateur. Nos projets sont conçus non en vue d'une revente rapide mais comme des investissements à long terme. Pour cette raison, entre autres, il est important que nos immeubles soient de la plus haute qualité. Notre objectif est que le Royal Centre soit considéré aussi moderne et élégant en 1979 qu'il l'est en 1969.

Nous doutons que le vigoureux milieu d'affaires de Vancouver et de la Colombie Britannique puisse être mieux servi dans ce projet que par la présence de la Banque Royale.

La seconde tour du "Royal Centre" est liée aux aspects économiques de la vie à Vancouver sans oublier pour autant les loisirs. Elle abritera un hôtel de 600 chambres 32 étages qui sera géré par Hyatt International en association avec Great West Saddy. Il y a juste 48 heures que nous avons annoncé la formation de cette association qui formera Hyatt Company, et qui signifie qu'une chaîne d'hôtels de classe seront construits dans d'autres centres Canadiens par Great West Saddy et gérés en association avec Hyatt. La direction de cette organisation sera située à Vancouver et des déclarations complémentaires seront faites bientôt.

Dans la conception de la tour de l'hôtel, et du projet tout entier, nous avons voulu que se reflète un peu de la beauté et du dynamisme de Vancouver en tant que cité.

Je suis certain que les gens ici apprécieront le hall avec son plafond haut de 80 pieds, l'ascenseur Polaris entièrement vitré qui s'élève depuis les plus bas niveaux, à travers le toit en verre incliné du hall à l'extérieur de la tour. Emouvante escale en perspective. En plus des commodités nécessaires aux banquets et aux conventions, l'hôtel incorporera cinq restaurants. La "Centre Royal" comprendra aussi 3 étages du boutiques de luxe, un double cinéma-auditorium géré par Famous Players, un centre médical et dentaire de plusieurs étages, complètement intégré aux étages inférieurs et un parking fermé de 900 voitures.

En concevant ce projet du "Royal Centre", nous avons retenu les services de trois groupes d'activités et consultants qui, nous pensons, comprennent très bien l'essence de cette cité. Leur propositions pour ce projet, et la façon dont il a été conçu, non seulement pour les affaires mais pour les hommes, ont soulevé notre enthousiasme.

La perspective, les squares et les jardins suspendus de même que les autres agréments du "Royal Centre" sont là pour le plaisir du public et nous espérons que les habitants de Vancouver seront aussi satisfaits par cette création que nous le sommes.

Nous estimons que 10,000 à 12,000 personnes viendront travailler au Royal Centre chaque jour et nous sommes certains que ce sera un endroit aussi plaisant pour y travailler qu'à visiter.

TEXTE DES COMMENTAIRES

DE SAM HASHMAN

PRESIDENT DE

GREAT WEST SADDLERY LIMITED

INTRODUISANT LE ROYAL CENTRE

VANCOUVER, LE 16 JUILLET 1969

J'voudrais d'abord exprimer le plaisir que j'éprouve à être ici à Vancouver, et à avoir le privilège d'annoncer le développement du "Royal Centre" par Great West Saddlery en association avec d'aussi remarquables organisations que la Banque Royale du Canada, Hyatt International et autres.

Vancouver, comme chacun ici j'en suis sûr est convaincu, est l'une des grandes cités d'Amérique du Nord, tant grâce à sa situation que grâce à la qualité de son mode de vie.

Le "Royal Centre" a été conçu de façon à refléter les qualités uniques de Vancouver, beauté et style de vie. En fait notre intention est de reproduire dans la mesure du possible ces qualités dans le développement du "Royal Centre" et de créer une Place Ville Marie de la côte Ouest.

J'aimerais souligner rapidement les directives suivant lesquelles sera réalisé le développement de cette zone de la ville qui est limitée par Georgia et Burrard et qui comprend l'immeuble MacMillan-Bloedel.

Les deux foyers d'attention seront les deux tours du Royal Centre. La tour de la Banque Royale s'élèvera de 400 pieds au dessus de Georgia Street. Ce qui représente si je n'abuse 76 pieds plus haut que l'immeuble adjacent MacMillan-Bloedel Building.

Le principal locataire, occupant les étages supérieurs, sera la direction générale pour la Colombie Britannique de la Banque Royale. En tout "Royal Centre" aura approximativement 39 0,000 pieds carrés disponibles pour des bureaux modernes, air conditionnés.

La tour de la Banque Royale et le pavillon bancaire repulsiers étages donneront tout deux sur Georgia Street.



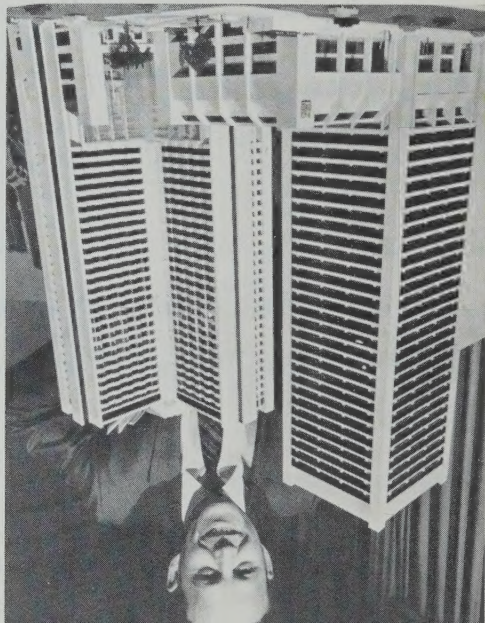


PHOTO — THE VANCOUVER PROVINCE

Sam Hashman, President de Great West Saddlery Limited, est montré lors de la conférence de presse du 16 Juillet avec une maquette du projet "Royal Centre" de 50 millions de dollars qui sera construit à Vancouver à l'intersection de Georgia et Burrard. "The Great West Saddlery" est propriétaire constructeur du projet et commencera la construction de ce complexe urbain cet automne. Le texte des commentaires de Mr. Hashman lors de la conférence de presse suit.

the great west saddlery limited

CALGARY

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IMPRIME AU CANADA

ROYAL CENTRE

Discours de Sam Hashman,

Président de "Great West

Saddlery Limited", introduisant

le Royal Centre, Vancouver,

le 16 Juillet 1969

AR33



the great west saddlery limited

